## THE FEDERAL DIARY

# **Retirement Time Nears**

By Mike Causey Washington Post Staff Writer

ffices of local members of Congress are being swamped with calls from anxious federal workers who want to know if they should plan to retire early next month to beat a proposed change in tax rules.

The employes are concerned about the tax reform bill passed by the House. Starting July 1, it would eliminate a tax-free retirement period for federal and postal workers, state and county employes and others who contribute to their own pension programs. About 250,000 federal employes are eligible to retire now; 17 percent of them live here.

Because of the way the retirement system is administered, federal workers might have to make their retirement plans by June 3. As that date nears, say staff members in the offices of Maryland Democratic Reps. Steny Hoyer and Mike Barnes and Virginia GOP Reps. Frank Wolf and Stan Parris, inquiries have increased.

A spokesman for the Federal Government Service Task Force, which serves as a congressional civil service caucus, said, "Half the calls we get are from people wanting to know when they should retire and the other half are from [new] workers complaining about the new 5.7 percent retirement deduction from their paychecks."

While it is easy to answer the latter question—the deductions will be stopped soon—there is no safe, sure or solid advice for retirees based on what Congress may, or may not, do.

The government service task force estimates that the proposed tax law change would mean a tax bite of \$10,000 in the first three years of retirement for the typical U.S. worker, and much more for higher paid employes.

The amount of taxes workers would pay over a normal lifetime would be unchanged. But retirees would begin paying

sooner, on prorated portions of the government contribution, once the recovery period was ended

Currently, workers who contribute already-taxed portions of their income to pension funds are exempt from taxes on their pensions until they have recovered all their contributions. That recovery period can last up to three years, although the typical federal retiree gets back all contributions in about 18 months.

The Senate version of tax reform would eliminate the recovery period in two steps, beginning in January 1988.

The reason people are worried about retiring in early June to beat a July 1 deadline has to do with a wrinkle in federal retirement rules. It came about several years ago when Congress made a change to benefit retiring lawmakers.

As a result of that change, pensions of employes who retire by the 3rd of the month begin the next day. Those retiring after the 3rd of the month have annuities that begin the following month.

G. Jerry Shaw, general counsel of the Senior Executives Association, said yesterday that if the July 1 effective date proposed by the House becomes effective, "employes, to be safe, must retire by June 3 in order to ensure that they will not be taxed under new rules provided in the [House] tax reform act."

Shaw and others say they don't like to give advice on this subject, because there are so many ifs.

Congress might fail to approve tax reform, or a later effective date (that would benefit members of Congress retiring early next year) could be approved.

But if avoiding the possible pension tax change is an overriding factor in your retirement planning, federal unions and congressional offices are saying the only way to be 100 percent sure of beating the July 1 deadline is to retire by

# 6 Arrested In Miami-D. Cocaine Case

By John Ward Anderson

Six men were arrested yest and charged with participating major cocaine trafficking open that used secret hiding plac cars to transport more than pounds of the drug from Mia the Washington area for distion, according to the FBI.

The men, three of whom arrested in Miami, were charg a 71-page, 38-count indictme U.S. District Court in Alexa that was handed up May 13 unsealed yesterday.

An FBI spokesman said the dictments and arrests capped a year investigation of a major caine trafficking organization in Miami and responsible for the porting more than \$2 million of drug to the Washington area November 1983.

Charged in the indictment conspiracy to possess with inte distribute and to distribute cowere Ruben Almaguer, 54, Alberto Nunez, 26, and Julio / nio Paredes, 27, all of Miami; ren Rudolph Cooper, 56, of Vington; Philip Lance Gelfo, 5: Cheyerly, and James Michael 48, of Upper Marlboro.

Two men charged in the ir ment—Jose Humberto Otero Jorge Luis Suarez, whose addrivere not available—remain at laccording to a spokesman for U.S. attorney's office in Alexand

Almaguer, Nunez and Otero also charged with continuing cri enterprise, which an FBI spokes said indicates that they were leaders of the alleged organiza He said the charge is brought ag persons suspected of supervising or more other persons.

Gelfo and Sita also were cha with making false declarations be a grand jury and obstruction of jufor allegedly lying before the g jury when they testified about involvement with other member the alleged organization.

The FBI spokesman said the caine was brought to the D.C. mainly by car, hidden in bumpers door panels and behind seats.

According to the indictment much as 50 kilograms of coc was sent to this area in a si shipment and as much as \$185, in cash was passed at meeting local restaurants and in two A andria apartments.

# Exorcism' Suspect Ruled

#### OBITUARIES

### John Paul Floyd Dies at 77; Retired Bank Board Editor

John Paul Floyd, 77, a retired official of the Federal Home Loan Bank Board who also had careers in the Navy and in public relations, fied May 13 at the Good Samaritan Hospital in Palm Beach, Fla., after a New 141648.

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ACAMS, ERNEST LEON Supplied Descried May 21, 1994. Although pourse left us, Your repriery SEI Blues on in our hearts each Gay. BEST, VERGINA HEWLETT (Glover) in lowing memory of VERGINA HEWLETT IN with passed over May 21, 275. Dear Ginger, 189 love and robe you so much Your halo, ndwice, kindness, love, same smiles and lengther never left toe much firse for learn. CARDS OF THANKS DEATH NOTICES

U.S. Workers in P.G. Get 2 Days Off for Asbestos Removal

"This was not in the urgent category ...."

— GSA spakesman Dale Brace

for absents, whose particles can cause care when herethel is and GSA had be asset the Center 2 boilding at 3700 Bata-West The most record prevenent tensate are a section of the U.S. Department of Health and Human Services, with about 000 em-

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By Karlyn Balara

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#### Whipple Wins Arlingtonian Endorsement

### By Nancy Scannell Washington Part Stall Writer

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#### Rules Laid Down For P.G. Saloon

#### By Keith Harriston Washington Food Studi Wyder

CHEEK, From D1

## New Virginia Family Court Gains Support at Fairfax Hearing

G.C. MURPHY CO.

#### By Patricia Davis

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### "That [family] court is desperately needed." - Lawyer Josson F. Alper

Union Blasts

Police Chief In Howard

By Lyle V, Harring washings for both Studies of the Monard Colinty, Md., Police Chief Paul H, Rajposport says he has done his best for his officers, but he supon local that represents about half the members of his force says offerwise.

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